



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

December 5, 2006

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached offer of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual account for a patient who received medical care at a non-County facility under the Trauma Center Service Agreement:

(1) Account Number EMS 82 \$145, 000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because this is the most the patient's lawyer is willing to pay the County under the tort settlement involved in this case. It is also uncertain whether the County would be able to recover more in a legal action.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of this compromise since it will enable DHS to maximize net recovery on this account.

Implementation of Strategic Plan Goal:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling approximately \$145,000.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of this account is not within the Director's authority, so the Director is requesting Board approval of this compromise.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,


Bruce A. Chernof, MD
Director and Chief Medical Officer

BAC:cm
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Attachments

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: December 5, 2006

Total Charges (Providing Facility)	\$289,781	Account Number	EMS 82
Amount Paid to Providing Facility	\$28,300	Service Type	Inpatient
Compromise Amount Offered	\$145,000	Date of Service	08/01/2005-08/12/2005
		% of Payment Recovered	512% (more than 5 times the amount paid by EMS)

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$289,781 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$28,300. The patient's third-party claim has been settled and his attorney is proposing to reimburse the County \$145,000. Counsel has reviewed this offer and is recommending its approval to avoid a lengthy legal action which may not be settled in County's favor.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.